

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2020-106-A

| | | |
|---|---|-----------------------------|
| IN RE: |) | |
| |) | |
| Actions in Response to COVID-19 |) | NOTICE OF APPEARANCE |
| |) | |
| <hr style="width: 50%; margin-left: 0;"/> | | |

YOU WILL PLEASE TAKE NOTICE that **Charles L.A. Terreni** gives notice of appearance of counsel on behalf of **Kiawah Island Utility, Inc., and South Carolina Water Utilities, Inc.**, in the above-captioned matter.



Charles L.A. Terreni, Esquire
Terreni Law Firm, LLC
1508 Lady Street
Columbia, SC 29201
(803) 771-7228
(803) 771-8778 (F)
charles.terreni@terrenilaw.com

Columbia, South Carolina
May 22, 2020



May 22, 2020

The Public Service Commission of South Carolina
101 Executive Center Dr, Suite 100
Columbia, SC 29210

Re: Comments required by Order No. 2020-372 in Docket 2020-106-A

Dear Commissioners:

This filing is made in compliance with Order No. 2020-372, issued on May 14, 2020 in Docket No. 2020-106-A, which invites utilities to file comments responsive to the ORS motion filed on May 8, 2020 regarding measures to mitigate impacts of COVID-19 on utility customers. The ORS motion specifically identifies actions such as the waiver of bank card processing fees, late fees, and returned check fees, as well as suspension of delinquent payment reporting to credit reporting agencies and communications to customers of safety net provisions offered; Kiawah Island Utility, Inc. ("KIU") and South Carolina Water Utilities, Inc. ("SCWU") jointly respond below to each of these possible actions generally and then specifically.

KIU and SCWU commend the Commission and ORS for initiating this discussion; we are amenable to any initiatives that may aid customers experiencing financial difficulties during the time of the pandemic. However, these costs and forgone revenues should be tracked by utilities, recorded as a regulatory asset, and eligible for recovery in rates at a later date. These costs should be eligible for deferred accounting due to being of a unique nature and outside the utilities' ability to forecast or control, similar to costs resulting from any other natural disaster such as a hurricane. Providing utilities with this avenue for cost recovery will allow them to more fully embrace initiatives to support customers, such as those proposed by the ORS.

KIU and SCWU will report incremental costs and revenue impacts and cost savings on a quarterly basis as required by Order 2020-372, but note that the companies' revenues are impacted by many different variables, and isolating the distinct effect of COVID-19 on revenues, beyond additional costs incurred and forgone revenues such as suspended fees, will be very difficult, if not impossible.

- **On-Line Payment and Credit Card Processing Fees**

KIU and SCWU currently do not directly charge individual customers who make payments online or via bank card a distinct fee per transaction and, therefore, have no comment on this specific initiative.

- **Late Payment Fees**

As noted in KIU's and SCWU's joint letter filed on April 1, 2020 in Docket No. 2020-106-A, KIU and SCWU suspended late fees on delinquent accounts as of March 25, 2020. This initiative was communicated to customers via a bill message. KIU and SCWU have tracked the late fee amounts that would have been generated had the suspension not been effected and notes that, while the amounts are relatively small, it is important that the fees not be waived completely. Doing so would reduce utilities' leverage in encouraging customers with delinquent accounts to enroll in deferred payment plans.

- **Returned Check Charges**

Given the unique circumstances affecting many customers, KIU and SCWU do not believe it is prudent to waive returned check fees. Waiving returned check fees would allow the potential for abuse, rather than incentivizing customers to work with the utility to enroll in a deferred payment plan. Also, these fees generally reflect actual costs incurred by the utility as a result of a check returned for insufficient funds.

- **Credit Reporting**

KIU and SCWU have no comment on the reporting of delinquent accounts to credit reporting agencies, as it currently does not follow these practices. However, utilities should be allowed to use credit agency reports to determine customer credit worthiness or security deposit amounts.

- **Communication Regarding Safety Net Provisions**

As noted in its April 1, 2020 letter to the Commission, KIU and SCWU have communicated their actions regarding their responses to COVID-19 via messages on customer bills. Additionally, the utilities have posted similar messages, along with additional details and information, on their website. Additional notices and communications would be redundant and cause unnecessary costs to KIU and SCWU. If the Commission does decide additional notices and communications are required, these costs should be captured and included in the deferrals for future recovery in a general rate proceeding.

- **Planning Return to Normal Operations**

There is still much unknown about the duration and extent of COVID-19, the possibility of a "second wave", and the business and social environment in the near term. However, KIU and SCWU remain committed to providing safe and reliable water and wastewater services to their customers. To facilitate operations during the pandemic, KIU and SCWU have implemented "work from home" policies for all their employees who are able to do so. Office staff has worked out a schedule to alternate days in the office for processing payments and billing. While in the office, employees practice social distancing, personal hygiene, and sanitization of their individual workspaces. Field employees and others who are not able to work from home utilize best social distancing and hygiene policies to stay as safe as possible. Because the utilities have been able to operate effectively utilizing remote work strategies, KIU and SCWU are being conservative in planning to return to normal operations. Currently, the workforce is planned to return to offices in three phases, beginning not before June 1, 2020. Management continues to monitor the situation and adjust its reopening plan as appropriate.

Kindest regards,



Becky J. Dennis
Director of Operations, KIU and SCWU

CC: Craig Sorensen, President
Charles Terreni, Esq.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2020-106-A
CERTIFICATE OF SERVICE

I, **CARL E. BELL**, hereby certify that I have, on this **22nd day of May 2020**, served the Notice of Appearance and Comments of Kiawiah Island Utility, Inc., and South Carolina Water Utilities, Inc, by Efiling with the South Carolina Public Services Commission and the parties by email to the addresses listed below:

Alexander W. Knowles , Counsel
Email: aknowles@ors.sc.gov

Carri Grube Lybarker , Counsel
Email: clybarker@scconsumer.gov

Frank R. Ellerbe III , Counsel
Counsel
Email: fellerbe@robinsongray.com

Heather Shirley Smith , Deputy General
Counsel
Email: heather.smith@duke-energy.com

Heather Shirley Smith , Deputy General Counsel
Email: Heather.smith@duke-energy.com

K. Chad Burgess, Deputy General Counsel
Email: Kenneth.burgess@dominionenergy.com

Katie M. Brown , Counsel
Email: katie.brown2@duke-energy.com

M. John Bowen Jr. , Counsel
Email: jbowen@burr.com

Margaret M. Fox , Counsel
Email: pfox@burr.com

Matthew W. Gissendanner , Senior Counsel
matthew.gissendanner@dominionenergy.com

Rebecca J. Dulin , Counsel
Email: Rebecca.Dulin@duke-energy.com



CARL E. BELL, Paralegal
Terreni Law Firm, LLC
1508 Lady Street
Columbia, South Carolina 29201
Telephone (803) 771-7228
Fax (803) 771-8778
carlbell@terrenilaw.com

May 22, 2020
Columbia, South Carolina